

## ASX ANNOUNCEMENT

29 January 2016



# Quarterly Activities Report for the Period Ended 31 December 2015

Riedel Resources Limited (**ASX: RIE**, “**Riedel**” or “**the Company**”) is pleased to present its 2015 December Quarter Activities Report:

## HIGHLIGHTS

### Marymia Project

#### *Australian Mines Limited Earning Up to 80%*

- Assay results from a single RC drillhole completed at the Dixon Prospect identified a high grade gold intercept of **10 metres @ 8.79 g/t gold** from 130 metres down hole, including:
  - **1 metre @ 29.11 g/t gold** from 133 metres down hole;
  - **1 metre @ 14.85 g/t gold** from 134 metres down hole; and
  - **1 metre @ 29.22 g/t gold** from 136 metres downhole.
- IP survey identifies chargeability zones coincident with this high grade mineralisation and possible extensions to the mineralised zone.
- Drill testing of both chargeability zones planned for March Quarter.

### Cheriton's Find Project

- Cheriton's Find Gold Project divested for cash consideration of **\$700,000**.

## Corporate

### *Board Appointments*

- Mr Mark Skiffington and Mr Luke Matthews appointed as Non-Executive Directors following the retirement of Mr Ian Tchacos as Chairman and Mr Ed Turner as Technical Director.
- Mr Jeffrey Moore appointed as Executive Chairman.

### *Financial*

- Convertible Notes with a face value of \$400,000 converted into ordinary fully paid shares of Riedel, leaving the Company debt free.
- Cash at 31 December 2015 - **\$0.829M**

#### COMPANY DIRECTORS

Mr Jeffrey Moore  
Executive Chairman

Mr Andrew Childs  
Non-Executive Director

Mr Mark Skiffington  
Non-Executive Director

Mr Luke Matthews  
Non-Executive Director

#### COMPANY SECRETARY

Mr Leonard Math

#### CONTACT DETAILS

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ABN: 91 143 042 022

ASX CODE: RIE



Riedel's assets include a portfolio of gold, copper and nickel projects and significant land holdings in prospective Archaean- and Proterozoic-age terranes of Western Australia (see *Figure 1 for location of projects*).

The Company has a mixture of advanced and early stage prospects, including:

- Marymia – (copper, gold, nickel and base metals) Australian Mines earning up to 80% by project expenditure of up to \$3.3M;
- Charteris Creek – (copper, molybdenum, gold and base metals) FMGR earning up to 80% by project expenditure of up to \$1.0M;
- Millrose (gold - <sup>i\*</sup>Inferred Resources of 4.0Mt @ 2.4g/t Au for 309,000 oz).

Furthermore, the Western Australian Projects are augmented by a number of additional prospects, including royalty agreements and free carried interests.



**Figure 1: Western Australia Project locations**

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\* Phil Jones (AI Maynard & Assoc) – 2010. This information was previously prepared and disclosed on the basis of compliance with the JORC Code – 2004 Edition. The Inferred Mineral Resources have not been subsequently updated to satisfy compliance with the JORC Code - 2012 Edition as the information has not materially changed since it was last reported.

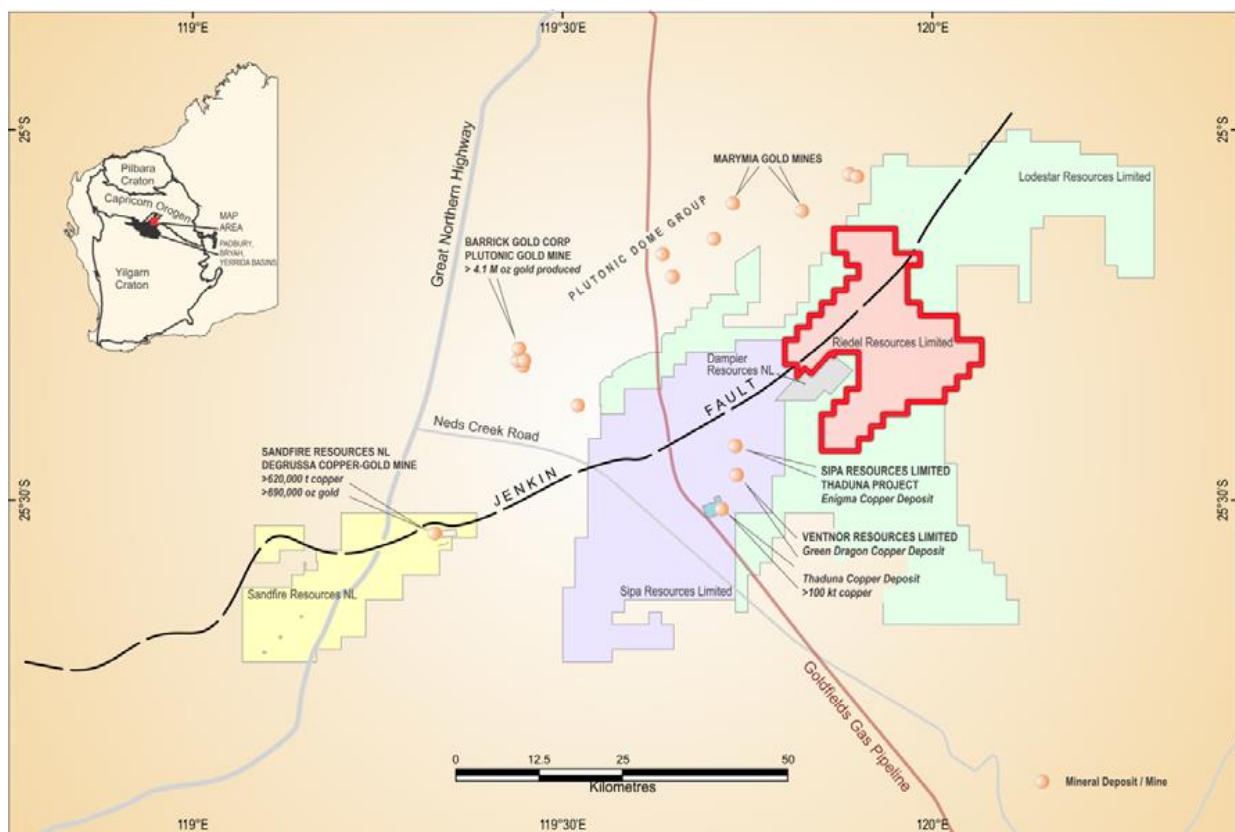
## MARYMIA PROJECT JOINT VENTURE

### Australian Mines earning interests up to 80%

On 30 April 2014 Riedel announced the key terms and conditions of a farm-in and joint venture arrangement over exploration licences 52/2394 and 52/2395 ("the Marymia Project") with Australian Mines Limited (ASX: AUZ, "Australian Mines"). A Heads of Agreement was signed by the parties and if the farm-in and joint venture arrangement proceeds to its full conclusion, the earn-in will be worth up to \$3.3M.

During the June Quarter Australian Mines **earned a 51% interest in the Marymia Project** by completing more than \$1,000,000 worth of expenditure on exploration during the "Stage 1 Earn-in". Australian Mines has now elected to proceed with the "Stage 2 Earn-in".

By spending a further \$2,000,000 on exploration within a further 3 year period following the Stage 1 Earn-in, Australian Mines can earn an additional 29% interest (taking their total interest to 80%) in the Marymia Project.



**Figure 2: Marymia Project - Location Map**

## Marymia Project tenement location and geology

E52/2394 and E52/2395, which collectively form the Marymia Project, cover an area of more than 425 square kilometres in the highly prospective Doolgunna-Thaduna region of the Proterozoic volcano-sedimentary Bryah and Yerrida Basins and Archaean Baumgarten Greenstone Belt in the Marymia Inlier.

The Marymia Project is located approximately 30 kilometres east of the 4.7M oz Plutonic gold mine, 55 kilometres north-east of Sandfire Resources NL's DeGrussa copper-gold mine (550,000 tonnes contained copper metal), and 12 kilometres east-north-east of Sandfire's Green Dragon and Thaduna copper deposits (100,000 tonnes contained copper metal) in Western Australia's Mid-West region (see *Figure 2*).

Significant regional structures identified in the project area include the Jenkin Fault and prospective, mineralised geology including the Archaean-aged Baumgarten Greenstone Belt and Proterozoic-aged sediments belonging to the Yerrida and Earahedy Groups. The project is prospective for copper, gold and nickel mineralisation and Riedel has delineated numerous high priority targets for each of these commodities.

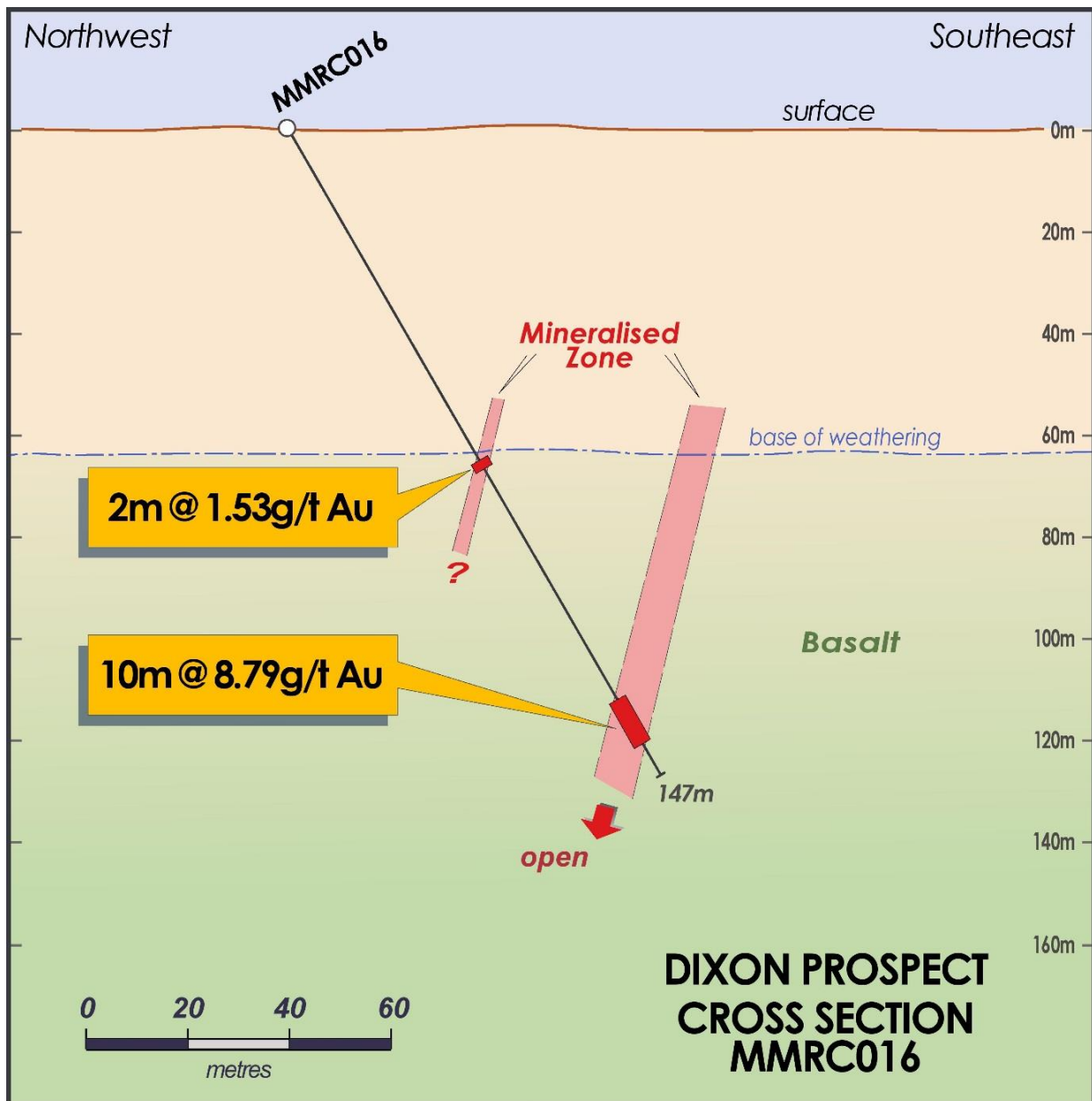
## Activities for the Quarterly period ended 31 December 2015

Assay results for the first RC drillhole completed by Australian Mines at the Dixon Prospect (formerly known as Bill's Area) were received during the Quarter

A significant high-grade zone of gold mineralisation was identified in the drill hole, averaging **10 metres @ 8.79 g/t gold** from 130 metres down hole depth (see *Table 1 and Figure 3*).

**TABLE 1. Dixon Prospect - drill hole details and significant assay results**

Drill Hole	Depth (metres)	Easting (MGA50)	Northing (MGA50)	Dip/ Azimuth	From (metres)	To (metres)	Interval (metres)	Grade (g/t gold)
MMRC016	147	793,250	7,187,645	-60/140	130	140	<b>10</b>	<b>8.79</b>
				<i>including</i>	133	134	<b>1</b>	<b>29.11</b>
				<i>including</i>	134	135	<b>1</b>	<b>14.85</b>
				<i>including</i>	136	137	<b>1</b>	<b>29.22</b>



**Figure 3: Dixon Prospect - Cross section showing RC drill hole MMRC016 and high grade gold intersection**

The Dixon prospect is situated in the south-west corner of E52/2394. Shallow rotary air blast (RAB) and air core drilling completed across this target area in the mid-1990s, testing a low-order gold + arsenic anomaly, successfully intersected a zone of supergene gold mineralisation within the weathered profile but there has been limited deeper drilling to date (see Figure 4).



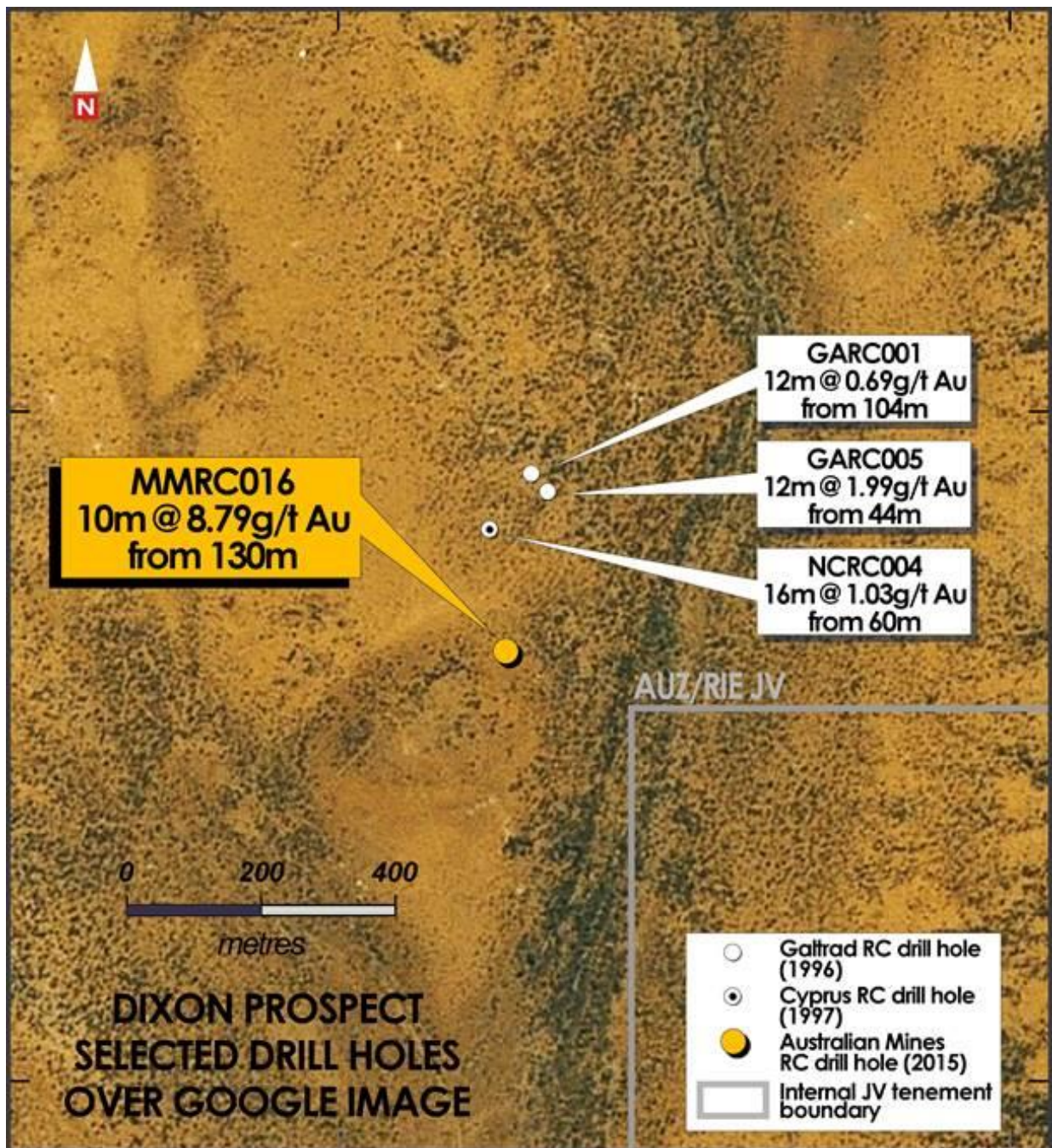
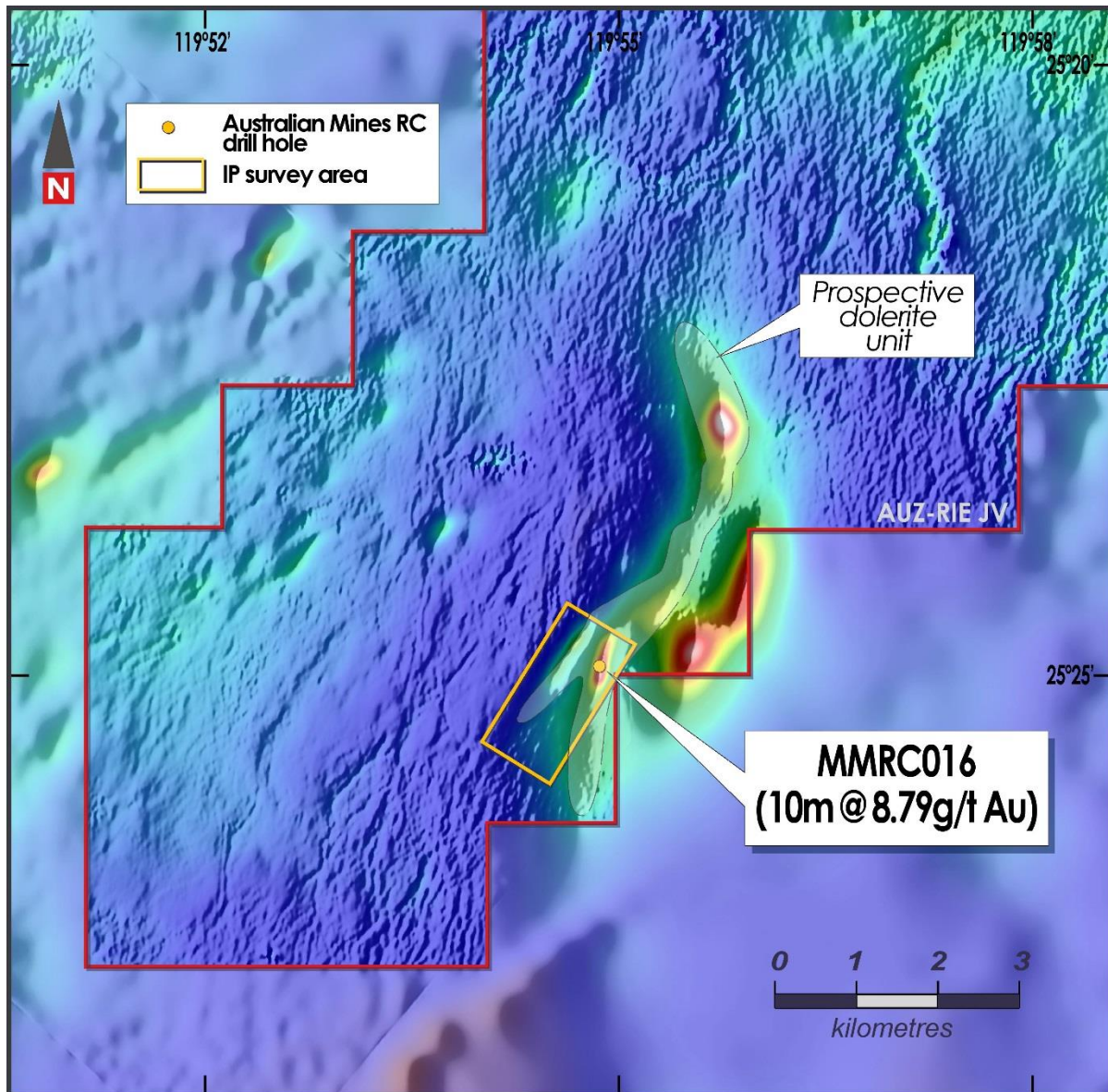


Figure 4: Dixon Prospect - Location of RC drill hole MMRC016 in relation to gold intersections returned from selected historic RC drilling across the target area



Following the drilling of MMRC016 a detailed Induced Polarisation (IP) geophysical survey was completed by Australian Mines over the Dixon Prospect and the area surrounding the prospect (see *Figure 5*). The survey detected a significant chargeability anomaly coincident with the high grade gold mineralisation intersected in MMRC016.

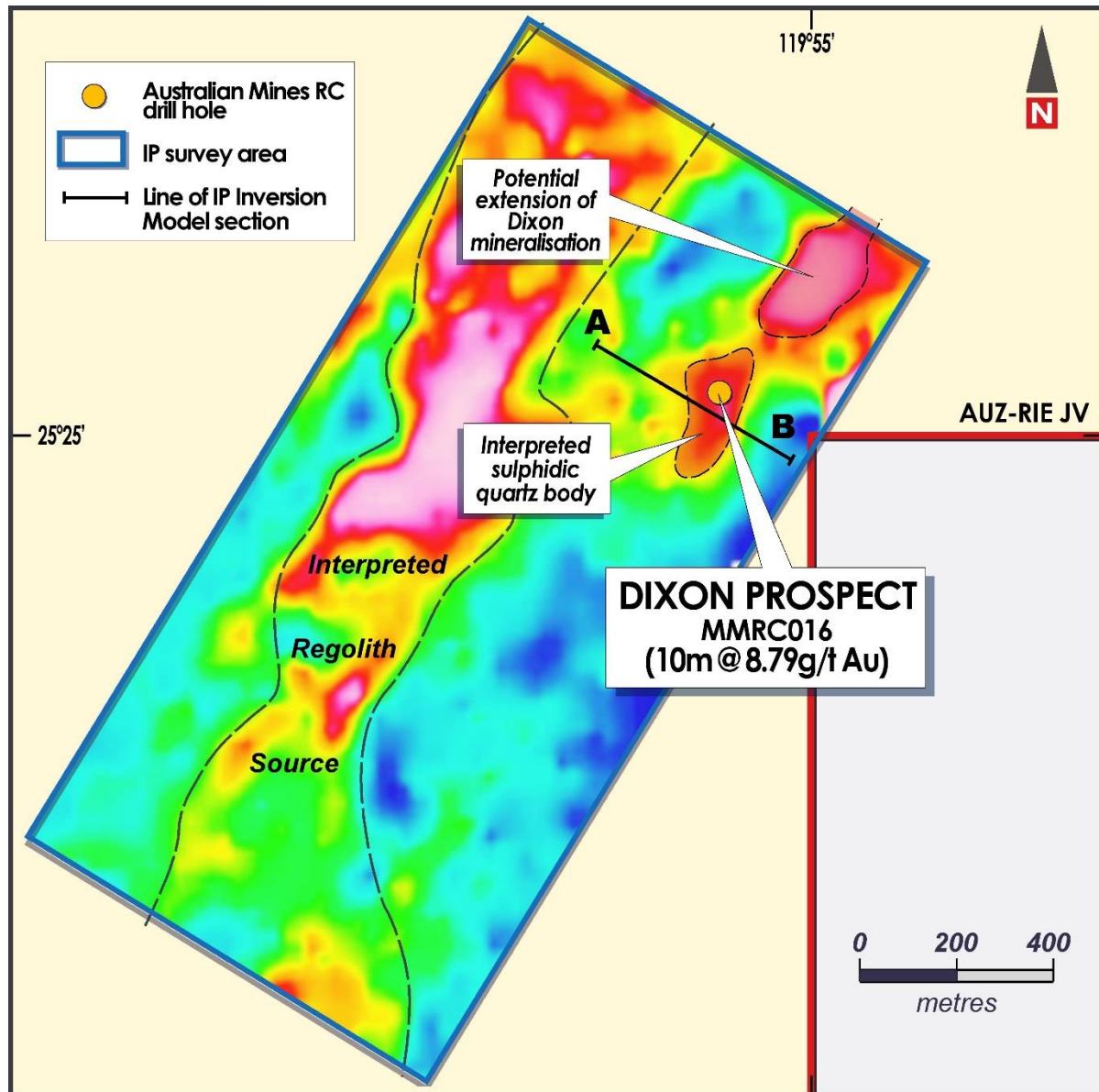


**Figure 5: Magnetic (Reduced to Pole) image showing the IP survey area, MMRC016 location and the extent of the prospective dolerite host unit.**

Given the geophysical characteristics and the geological positioning of this 200 metre long IP anomaly, its source is likely to be a sulphide (pyrite) body such as the gold-bearing sulphidic (pyrite + arsenopyrite) quartz veining intersected in the drilling.

Modelling of this newly-acquired IP data has also identified a second anomaly to the northeast of Dixon, which could represent a potential gold mineralised zone (see *Figure 6*). Both zones are planned to be drill tested in the March Quarter.

The discovery of a second chargeability anomaly in close proximity to, and along the same lithological contact as, the known mineralisation at Dixon is equally encouraging as it suggests that potential repetitions of the Dixon-style gold mineralisation may exist throughout the six kilometres of prospective dolerite geology mapped within the Marymia project area.



**Figure 6: Plan view of the gradient array Induced Polarisation (IP) survey showing the chargeability anomaly coincident with the highgrade gold intersection in MMRC016 as well as a possible extension zone associated with another IP anomaly to the north east.**

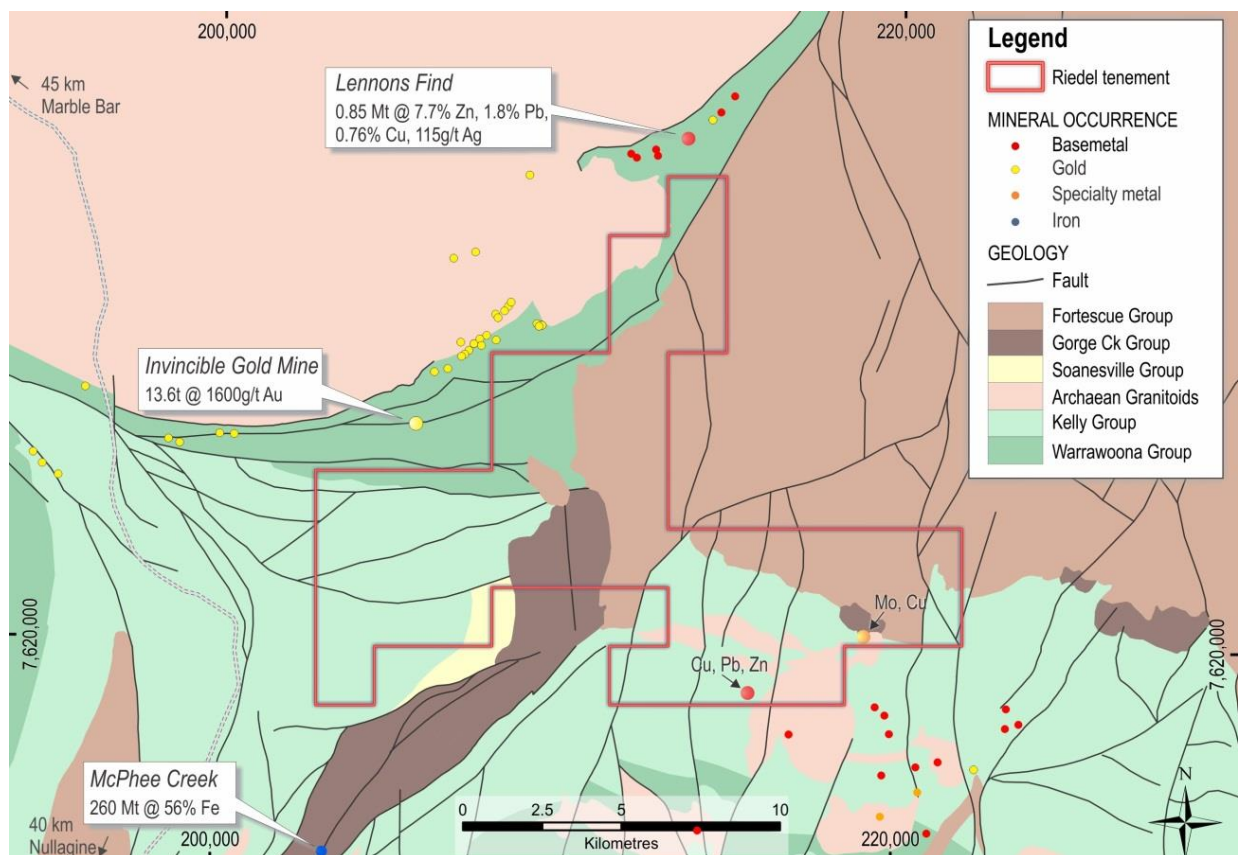


## CHARTERIS CREEK PROJECT JOINT VENTURE

### FMG Resources Pty Ltd earning interests up to 80%

In January 2014 FMG Resources Pty Ltd (“FMGR”), a wholly-owned subsidiary of Fortescue Metals Group Ltd, entered into a Farm In and Joint Venture Agreement with the Company worth up to \$1M over Exploration Licence 45/2763.

Riedel’s 100%-owned tenement is 131km<sup>2</sup> in area and is located approximately 45km north of Nullagine and 50km south-east of Marble Bar in the Pilbara Region of Western Australia (see Figures 1 and 7 for project location).



**Figure 7: Charteris Creek Project – Geological Map highlighting known mineral occurrences and deposits**

### Tenement location and geology

E45/2763 is located within the East Pilbara Granite Greenstone Terrain. Tectonically, it is encompassed by the Marble Bar and Kelly Greenstone Belts and Mount Edgar Granitoid Complex in the west and northwest and McPhee Dome and Hamersley Basin to the east and southeast.

The Charteris Creek Project focuses on Archaean intrusive rocks, which are intruding the greenstones overlying the McPhee Dome structure. These are described as Gobbos Granodiorite, a locally porphyritic biotite granodiorite and monzogranite. Various copper and copper-molybdenum occurrences are reported in association with these intrusive rocks. Indications for a porphyritic source of the minerals have been given in previous exploration reports.

### **Activities for the period ended 31 December 2015**

No field work was completed during the quarter. A stream sediment sampling programme has been designed to be completed in early 2016 within the Marble Bar greenstone belt in the north-west section of the tenement. Nearby MINEDEX-listed mineral occurrences indicate the prospectivity of this part of the licence (*see Figure 7*).

### **CHERITONS FIND PROJECT**

In November 2015 the Cheriton's Find Gold Project was sold to Hanking Gold Mining Company Pty Ltd for a **cash consideration of \$700,000**, with all funds received.

The divestment represents an excellent outcome for Riedel as it significantly bolsters the Company's treasury without dilution of shareholders equity in the Company. Riedel is now well positioned for future growth and the Company will continue to judiciously manage its cash resources.

### **MILLROSE PROJECT**

There were no exploration activities carried out during the Quarter.

### **CORPORATE**

In October 2015, Riedel reached agreement with its Convertible Note Holders to convert all of the outstanding Convertible Notes, with a face value of \$400,000, into ordinary fully paid shares of Riedel.

Pursuant to the terms of the Convertible Note Deed dated 16 May 2013 and as amended by deeds which have previously been announced, a total of 61,653,937 fully paid shares of Riedel were issued to the Convertible Note Holders at a price of \$0.0065 per share to redeem the Convertible Notes.

This outcome repositions the Company with a strong shareholder base and no debt.

Several changes were made to the Board of Directors during and after the end of the December 2015 Quarter. In November 2015, Mr Ed Turner resigned as Technical Director but will continue in his technical role with the Company by providing technical management services.

Subsequent to the end of the Quarter, in January 2016 the Company welcomed the appointment of Mr Mark Skiffington and Mr Luke Matthews as Non-Executive Directors of the Company following the retirement of Mr Ian Tchacos as Chairman. Mr Jeffrey Moore was appointed as Executive Chairman.

The Company held Cash Reserves at 31 December 2015 of **\$0.829M**.

## TENEMENT SCHEDULE

Following is the schedule of Riedel Resources minerals tenements as at 31 December 2015.

Area of Interest	Tenement reference	Nature of interest	Interest
Charteris Creek	E45/2763	Direct	100%
Millrose	E53/1304	Direct	100%
Bronzewing South	E36/623	Indirect	80%
Marymia	E52/2394	Direct	49%
Marymia	E52/2395	Direct	49%
West Yandal	M36/615	Royalty	0%
Porphyry	M31/157	Royalty	0%

### For further information please contact:

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### About Riedel Resources Limited

Riedel Resources Limited listed on ASX on 31 January 2011 and is an Australian-based exploration company established to explore for and develop mineral deposits.

Further information can be found at the Company's website [www.riedelresources.com.au](http://www.riedelresources.com.au)

### Competent Person's Statement

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ed Turner, who is a Member of The Australian Institute of Geoscientists. Mr Turner is a consulting geologist to Riedel Resources Limited. Mr Turner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Turner consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*



## Appendix 1: JORC Code, 2012 Edition

### Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>In December 2015, Australian Mines commissioned Zonge Engineering and Research Organisation (Australia) Pty Ltd to complete a ground-based Induced Polarisation (IP) survey over a two square kilometre area of the favourable Archaean geology at its Dixon gold prospect in Western Australia.</p>
	<ul style="list-style-type: none"> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>The line spacing for the gradient IP survey was 100 metres with receiver dipoles positioned 25 metres along line.</p> <p>Lines of 50 metre pole-dipole IP data were subsequently acquired over the resulting anomalies in order to facilitate tighter geophysical modelling, and thus better drill targeting of the priority anomalies.</p> <p>At least two readings were acquired at each station in order to ensure data repeatability.</p> <p>Quality assurance and quality control (QA/QC) of the IP data was independently verified by Terra Resources in Perth.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No samples taken during the quarter.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>This report does not contain any new drill-related results.</p> <p>Any drilling referenced in this report has previously been released by Australian Mines in its announcements of 25 October 2015 and</p>

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6 November 2015.

**Charteris Creek Project**

No drilling undertaken during the quarter.

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**Drill sample recovery**

- Method of recording and assessing core and chip sample recoveries and results assessed.
- Measures taken to maximise sample recovery and ensure representative nature of the samples.
- Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

**Marymia Project**

This report does not contain any new drill-related results.

Any drilling referenced in this report has previously been released by Australian Mines in its announcements of 25 October 2015 and 6 November 2015.

**Charteris Creek Project**

No drilling undertaken during the quarter.

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**Logging**

- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
- Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.
- The total length and percentage of the relevant intersections logged.

**Marymia Project**

This report does not contain any new drill-related results.

Any drilling referenced in this report has previously been released by Australian Mines in its announcements of 25 October 2015 and 6 November 2015.

**Charteris Creek Project**

No drilling undertaken during the quarter.

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**Sub-sampling techniques and sample preparation**

- If core, whether cut or sawn and whether quarter, half or all core taken.
- If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.
- For all sample types, the nature, quality and appropriateness of the sample preparation technique.
- Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.

**Marymia Project**

This report does not contain any new drill-related results.

Any drilling referenced in this report has previously been released by Australian Mines in its announcements of 25 October 2015 and 6 November 2015.

**Charteris Creek Project**

No sampling completed during the quarter.

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- Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.
- Whether sample sizes are appropriate to the grain size of the material being sampled.

#### Quality of assay data and laboratory tests

- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
- For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
- Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.

#### Marymia Project

The survey parameters and geophysical equipment used by Zonge for the Induced Polarisation (IP) survey includes:

#### **Survey Parameters**

Configuration: gradient IP and pole-dipole IP in Frequency domain

Survey direction: northwest-southeast

Total number of survey lines: 20 gradient IP  
3 pole-dipole IP

Line spacing: 100 metres (gradient IP)  
50 metres (pole-dipole IP)

Station interval: 25 metres (gradient IP)  
50 metres (pole-dipole IP)

Number of receiver dipoles: 8

Base frequency: 0.125 Hertz

Duty cycle: 100%

#### **Survey Equipment**

Transmitter: GGT30

Receiver: GDP322



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Sensor: Porous pots

At least two readings were acquired at each station in order to ensure data repeatability.

The IP system is fully calibrated and daily tests were carried out to ensure data quality.

**Charteris Creek Project**

No samples submitted for assay or laboratory testing during quarter.

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**Verification of sampling and assaying**

- The verification of significant intersections by either independent or alternative company personnel.
- The use of twinned holes.
- Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.
- Discuss any adjustment to assay data.

**Marymia Project**

All primary analytical data acquired by Zonge during the IP survey were recorded digitally and sent in electronic format to Terra Resources in Perth for independent quality control and evaluation.

**Charteris Creek Project**

No additional assay data collected or reviewed during the quarter.

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**Location of data points**

- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.
- Specification of the grid system used.
- Quality and adequacy of topographic control.

**Marymia Project**

The data points of Zonge's IP survey were located using standard GPS positioning.

The expected accuracy is +/- 5 metres for easting and northings and 10 metres for elevation coordinates. Elevation values were in AHD.

The grid system used is Map Grid of Australia (MGA) GDA94 Zone 50.

**Charteris Creek Project**

All rock sample points were located using a hand held GPS.

Data captured in GDA 94, Zone 51.

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- Data spacing for reporting of Exploration Results.

**Marymia Project**

The line spacing for the gradient IP survey was 100 metres with receiver dipoles positioned 25

<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p>metres along line.</p> <p>Lines of 50 metre pole-dipole IP data were subsequently acquired over the resulting anomalies in order to facilitate tighter geophysical modelling, and thus better drill targeting of the priority anomalies</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No samples were taken during the quarter.</p>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>This report does not contain any new drill-related results.</p> <p>The line spacing for the gradient IP survey was 100 metres with receiver dipoles positioned 25 metres along line.</p> <p>Lines of 50 metre pole-dipole IP data were subsequently acquired over the resulting anomalies.</p> <p>The orientation of the IP survey lines was designed to cross the targeted geology and mineralised structures at right angles in an attempt to minimise the risk of biased or inaccurate sampling.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No sample data collected during the quarter.</p>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>The chain of custody is managed by Australian Mines.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No samples collected during the quarter.</p>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>Experienced geophysicists at Terra Resources in Perth independently reviewed all data acquired from the IP survey at Doolgunna - Marymia.</p>

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**Charteris Creek Project**

No sample data available during the quarter for audit or review.

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**Section 2: Reporting of Exploration Results**

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>The Marymia Project is located within the Western Australian exploration licences of E52/2394 and E52/2395.</p> <p>On 30 April 2014, Australian Mines announced it had signed a Heads of Agreement with Riedel Resources Limited (ASX code: RIE) in relation to the Marymia Project.</p> <p>On 30 May 2015, Australian Mines reported that the Company had earned a 51% interest in tenements E52/2394 and E52/2395, and the Company has elected to acquire an additional 29% interest in the project (taking the total to 80%) by spending a further \$2 million on exploration by May 2018.</p> <p>Exploration licences E52/2394 and E52/2395 are within the Marymia and Ned's Creek Pastoral Leases and contained within the Native Title Claim boundaries of the <i>Gingirana</i> (WAD6002/03) and <i>Yugunga-Nya</i> (WAD6132/98) Traditional Owners.</p> <p>Exploration activities on E52/2394 and E52/2395 are permitted under agreements dated; 7 October 2010 between Audax Resources Ltd (a subsidiary of Riedel Resources) and the Yamatji Marlpa Aboriginal Corporation as agent for the <i>Yugunga-Nya</i> people; and 23 October 2010 between Audax Resources and <i>Gingirana Pty Ltd</i>. Australian Mines is permitted to operate under these agreements as the company is joint venturing with Riedel Resources on this project.</p> <p>Exploration licences E52/2394 and E52/2395 are in good standing with no impediments to</p>

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exploration known to exist at the time of writing.

#### **Charteris Creek Project**

Exploration activities were all undertaken on EL 45/2763, which comprises the Charteris Creek Project. The Licence is held by Riedel Resources Ltd ('Reidel') and registered in the name of Audax Minerals Pty Ltd.

The Licence was granted on 8 November 2011 and is due to expire on 8 November 2016.

On 16 January 2014 FMG Resources Pty Ltd entered into a Farm In and Joint Venture Agreement with Reidel to earn an 80% interest in the tenement over a six year period.

The Licence is in good standing. The minimum expenditure commitment has been exceeded in the first and second terms and will be met in the third year of term.

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#### **Exploration done by other parties**

- Acknowledgment and appraisal of exploration by other parties.

#### **Marymia Project**

Limited exploration and drilling programs have previously been undertaken across the Dixon gold prospect by other companies.

A summary of the historic exploration is outlined in the Prospectus released by Riedel Resources Limited on 23 November 2010.

Cyprus Gold Australia's Annual Report - Combined Reporting Group C153/1996, which was submitted to the Western Australian Department of Mines and Petroleum in December 1997, and covers tenements E52/592 and E52/594 (now tenement E52/2394) similarly summarises the historic exploration undertaken across the greater Doolgunna - Marymia project area.

Galtrad Pty Ltd's Annual Technical Report for tenement E52/594 (now tenement E52/2394), which was received by the Western Australian Department of Mines and Petroleum (DMP) on 16 September 1996, describes five reverse circulation (RC) drilled by Galtrad immediately north of the Dixon gold prospect.

Based on geological logs and assays returned from these five RC holes, Galtrad concluded in their 1996 report that "the extent of proven

sulphidation and veining shown to occur in these drill holes indicates regional scale mineralising fluid flow with the propensity to generate a substantial gold orebody”.

#### **Charteris Creek Project**

Exploration around the Gobbos Granodiorite intrusion started in the mid-1960s. Five main project areas were identified, namely the Bridget, Gobbos, Lightning Ridge, Otways and Wallabirdee Ridge prospects by previous explorers.

### **Geology**

- Deposit type, geological setting and style of mineralisation.

#### **Marymia Project**

Australian Mines are targeting three types of mineral deposits at Marymia;

- (i) Archaean gold,
- (ii) volcanogenic massive sulphide (VMS) copper-gold, and
- (iii) komatiite-hosted nickel sulphide.

The Dixon prospect is situated within the Baumgarten Greenstone Belt (part of the Marymia Inlier).

The geology of the Dixon prospect comprises an Archaean greenstone sequence of dolerites, basalts and metasediment rocks.

#### **Charteris Creek Project**

Copper porphyry target. Porphyry systems within or marginal to the intrusions. Granodiorite and tonalite intrusives rocks of Archean age are situated within the McPhee Dome and have intruded volcanic and sedimentary rocks of the also Archean Yilgalong (or: McPhee) Greenstone Belt.

Copper-molybdenum-silver-zinc-gold mineralization proximal and distal to porphyry systems has been reported.

### **Drill hole Information**

- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

#### **Marymia Project**

This report does not contain any new drill-related results.

	<ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> <ul style="list-style-type: none"> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<p>Any drilling results referenced in this report have previously been released by Australian Mines in its announcements of 25 October 2015 and 6 November 2015, including the relevant drill hole information of these holes such as collar coordinates, dip and azimuth, and hole length.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No drilling undertaken during this quarter.</p>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>Any reported intersections of Australian Mines' drilling results are based on a regular sample interval of one metre.</p> <p>Where quoted, gold intersections are based on a minimum gold threshold of 0.25 g/t gold.</p> <p>No upper cuts are applied and no internal dilution has been used for any intersection calculations.</p> <p>No metal equivalents have been used in this report.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>No drilling undertaken.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported,</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections.</p> <p>Any intersections included in the accompanying report are down hole lengths. The true widths of these intersections are not known.</p> <p><b><u>Charteris Creek Project</u></b></p>



	there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	No drilling undertaken.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>Appropriate maps are included in the body of the accompanying report.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>Appropriate maps are included in the body of the accompanying report.</p>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>The accompanying document is considered to represent a balanced report.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>Geological mapping and geochemical sampling have been the primary exploration tools used to date.</p> <p>Interpretation of the acquired data is preliminary and by no means comprehensive.</p>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>The Inducted Polarisation (IP) survey referred to in this report is the first exploration activity conducted by Australian Mines across the greater Dixon prospect area.</p> <p>Other exploration data collected by the Company is not considered material to this report at this stage.</p> <p>Further data collection will be reviewed and reported when considered material.</p> <p><b><u>Charteris Creek Project</u></b></p> <p>Nothing to report for this quarter.</p>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological</li> </ul>	<p><b><u>Marymia Project</u></b></p> <p>Further work may include a reverse circulation (RC) drill program to test the nature of the geophysical (IP) anomaly detected at the Dixon gold prospect.</p> <p>The specifications of this proposed RC drill</p>

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interpretations and future drilling areas, provided this information is not commercially sensitive.

program, including the location and targeted depth of these holes, will be announced by Australian Mines prior to the commencement of drilling.

**Charteris Creek Project**

A stream sediment sampling programme to test for gold and base metals has been planned for the north west section of the tenement. This area has not been systematically explored by either Riedel or FMG to date.

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